

CENTRAL INTELLIGENCE AGENCY

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up to 26 July 1948

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1. Military Information

- a. The Army is obviously the weak spot in the present regime; it reacted understandingly to the escapes of generals and high officers. Signs of growing demoralization are apparent.
- b. The present regime has little hope of support from the Army. Therefore, a further widespread clean-up will take place in the Army; all those who are under the slightest suspicion will be apprehended.
- c. The Chief of the General Staff, General of the Army Bocek, is on forced leave. The position of General Svoboda, Minister of National Defense, is shaky. A possibility of his resignation is being considered, and in such event R. Slansky, Secretary-General of the Communist Party and leader of its radical wing, is expected to assume his post. The flight of General Ferjencik had a depressing effect.
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- d. Instructions on preparation of black-outs have been repealed. There are rumors that mobilization of five year groups is being planned. [] Comment: This is probably preparation for calling up of five reserve year groups by virtue of Art. 27 of the Czechoslovak Defense Law, i.e. the extraordinary call-up of reserves in peacetime.)
- e. The Soviet general staff has leveled serious criticisms at present conditions in the Czechoslovak Army and has passed them to the Czechoslovak Government. Russian military observers take part in various training maneuver activities of the Czechoslovak Army. Concentration of the Army continues in northwest Bohemia, southern Bohemia, and southern Moravia. [] Comment: This is very likely complementation of units situated on the Czech or Bavarian frontier, the part facing the U.S. Zone, with men and officers of skeleton units such as the Seventh Independent Brigade, the Thirteenth Division, and the Ninth and the Tenth Divisions.)
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- f. [redacted] two trains with Soviet equipment have arrived in southern Bohemia. This information is accurate and reliable. [redacted] in the Krumlov region fortifications are being built and equipment concentrated.
- g. [redacted] preparations are under way to establish Terezin as a concentration camp again. 50X1-HUM
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- h. The units in Klatov have been transferred to Domazlice and Rokycany and replaced by units belonging to the Second Independent Brigade stationed in Slovakia.
- i. At the Warsaw Conference of Foreign Ministers of the Eastern Bloc, military experts expressed dissatisfaction regarding the Czechoslovak Army because it is poorly equipped, lacks sufficient training, has a low morale and is generally unreliable.

2. Political Information

- a. The Czechoslovak Ministry of Foreign Affairs has prepared a bill according to which Hungarians will have minority status in Czechoslovakia. The bill is in the hands of the Cabinet now and will be discussed shortly. The Hungarians supposedly are to get the same rights accorded to minorities before 1938.
- b. Information from Moscow reached Prague that Russia is determined to go on with the Big Four conferences and a warning is being given to Prague that a discussion of Eastern Polish frontiers cannot be ruled out and that it is possible that Russia will have to make certain compensations to Germany, consequently disfavoring Poland. In such event, Moscow warns Prague, that decision will be followed immediately by negotiations on the Tesin question and Czechoslovakia will have to cede Tesin to Poland.
- c. The Czechoslovak Government has asked Yugoslavia for supplies of cereals. The request has been turned down. The rumor of Yugoslav intentions of breaking the Czechoslovak-Yugoslav Trade agreement had a depressing effect on Prague.
- d. President Peron of Argentina is supposed to visit Czechoslovakia during his tour of Europe. Arrangements for his visit were made in Prague by the Czechoslovak Minister in Buenos Aires, Mr. Kunosi (a Communist) who was astonished by the miserable conditions in Czechoslovakia. In a private conversation he said that the people in Czechoslovakia would be happy to have one-tenth of the freedom prevailing in Argentina.
- e. When the dispute over Berlin began, the Czechoslovak Government requested instructions from Moscow. The military instructions remain unknown. From the political instructions, the last sentence is supposed to state: "Czechoslovak Cabinet Members and other prominent personalities are assured the right of asylum in Moscow." (This news seems surprising and its significance is difficult to see without a knowledge of the preceding sentences. It may be an assurance for the case of an emergency such as an internal coup or in case of Russia's withdrawal from Central Europe. Both possibilities seem to be remote, and a further investigation into the matter would be necessary to reveal the real meaning of the sentence.)
- f. During a discussion about Slet proceedings, Rattinger, the chief of the Communist politbureau and manager of the Communist members of parliament club, said to one of the members of the Czechoslovak Socialist party: "I am surprised at your people; soon they will have what they want anyhow."

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- g. Richard Slansky, brother of the secretary-general of the Communist Party, Rudolf Slansky, strove in vain to become director of the Czechoslovak Press Bureau. Financial affairs prevented him from succeeding. He will be named ambassador to Pakistan.
- h. The government has extended the law regarding action committees. Consequently all arrangements and activities of the action committees after the February coup will be legalized. The effects of this law will be terrible. The Constitutional Committee of the Parliament has suggested to the Government that it modify the law.
- i. There are reports of widening splits in the Czechoslovak Communist Party. Opposition against the influential centers of the party takes various forms. Even anti-semitism is used to build up criticism of central bodies such as the Politbureau whose members happen to be Jewish (Battinger, Taussigova, Slansky, Bares, Dr. Z. Stein). The disintegrating influence of the elements of those who entered the Czechoslovak Communist Party after February 25, 1948, is evident. The older Communists are asking for an upper hand in the Republic and in the party. There is sharp criticism of Gottwald as president and of Zapotocky as premier of the government. The insignificant influence of the Communist newspapers, most of which remain unsold, is being pointed out.

3. Internal political situation

- a. To a greater extent members of the STB and SNE are trying to establish contact with the illegal opposition movement.
- b. The people are more and more openly commenting on the increasing difficulties in supplies and production. There is a continuous drop of various items from the market, and there are no raw materials. The populace is infuriated by the report that Czechoslovakia will supply the Russian occupation zone in Germany, particularly Berlin.
- c. the press has received orders to influence and pacify mass opinion. Psychologically, this is not well worked out; the people read articles not to be pacified but to convince themselves by the fact of public denials that the whispered reports are true. The Communists consider the internal political situation as very serious.
- d. One thing is lacking at this time - aid and support from foreign broadcasts. Interest is increasingly concentrated on the Voice of America, as the London broadcast seems not to be outspoken enough. The people listen a great deal to foreign broadcasts, but what they want to hear is the immediate reaction abroad to events in Czechoslovakia described in correct language which avoids ridiculous or uncommon usage.
- e. The disintegrating internal political situation is gravely affected by wartime damages. As long as this state of affairs exists the Communists will have a firmer grip. In the meantime efforts to secure alibis are symptoms of the unsettled internal situation. Many people are trying to establish a line of excuse for their dealings after the 25th of February.
- f. Reports of the flights of Minister Majer and General Masal had significant effects. The people drew from the flight of prominent personalities proper conclusions about the validity of official reports on "the success of the vigilant national security."

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- g. Events in Yugoslavia have fulfilled their goal and inspired new hope. People are saying that things can be taken care of in their own way even without war. They are aware that resistance against Communist expansion is gaining in strength in more than one place.

4. Economic Situation

- a. Liquidation of the middle class is being planned.
- b. However, one of the greatest dangers for the Communists is the situation among workers. The morale of the workers is shattered. The majority of the workmen follow the slogan: "Work little for much pay." Most of the working hours are idled away, and workers come to work late and leave before they should. At work debates are brazenly carried on, the URO (Trade Union Organization) is criticized and openly blamed. The workers frankly state that this situation cannot last long. Because of his attack against the demoralization of the workers, Zapotocky has become a most unpopular individual. The workers insist on a five day week, with Saturday and Sunday off. Only a small part of the Communist workers take the factory program seriously. The other workers loathe and avoid them. Newly selected workers are warned about these. Workmen are continually being shifted. For example, in a small factory within three months the entire force is new.
- c. There is a complete lack of raw materials. The items whose production depends upon imported raw materials are vanishing from the markets. Workers notice this and fully realize that the economic conditions are destined to change. Already copper electric wire is unavailable. Electric installations are impossible. The Social Democrats are carrying on widespread sabotage in the textile industry. There is no fruit or meat to be had. Free market items are gradually disappearing from the Slovak markets. The peasants refuse to sell even on the black market.

5. The Sokol

- a. The brief remarks about reactionary groups in the Sokol which appeared immediately after the Sokol Congress (Slet) were replaced by a statement of the official Czechoslovak Association of Sokols and by an article written by the prime minister, Zapotocky. This gave rise to a wild campaign for a purge in the Sokol ranks in which the plans and resolutions of trade unions played a prominent and well tested part. Several thousand people are expected to be ousted from the Sokol. The Association of Czech Youth and other Communist ruled organizations have received instructions to prompt their members to join the Sokol organization and thus change the pattern of its membership. The old Sokol functionaries will be replaced. The result of these measures is a rapidly declining interest in the Sokol. It is however, hoped that the anti-regime activities in the Sokol will continue and people most apt for it will remain members. It is also a general expectation that many athletes taking part in the Olympic games will not return. Before their departure for London each individual's reliability was very carefully investigated. Many were refused passports. Representatives of the press who went to London were exclusively those belonging to Rude Pravo, Mlada Fronta, and Prace, all solidly Communist papers.

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